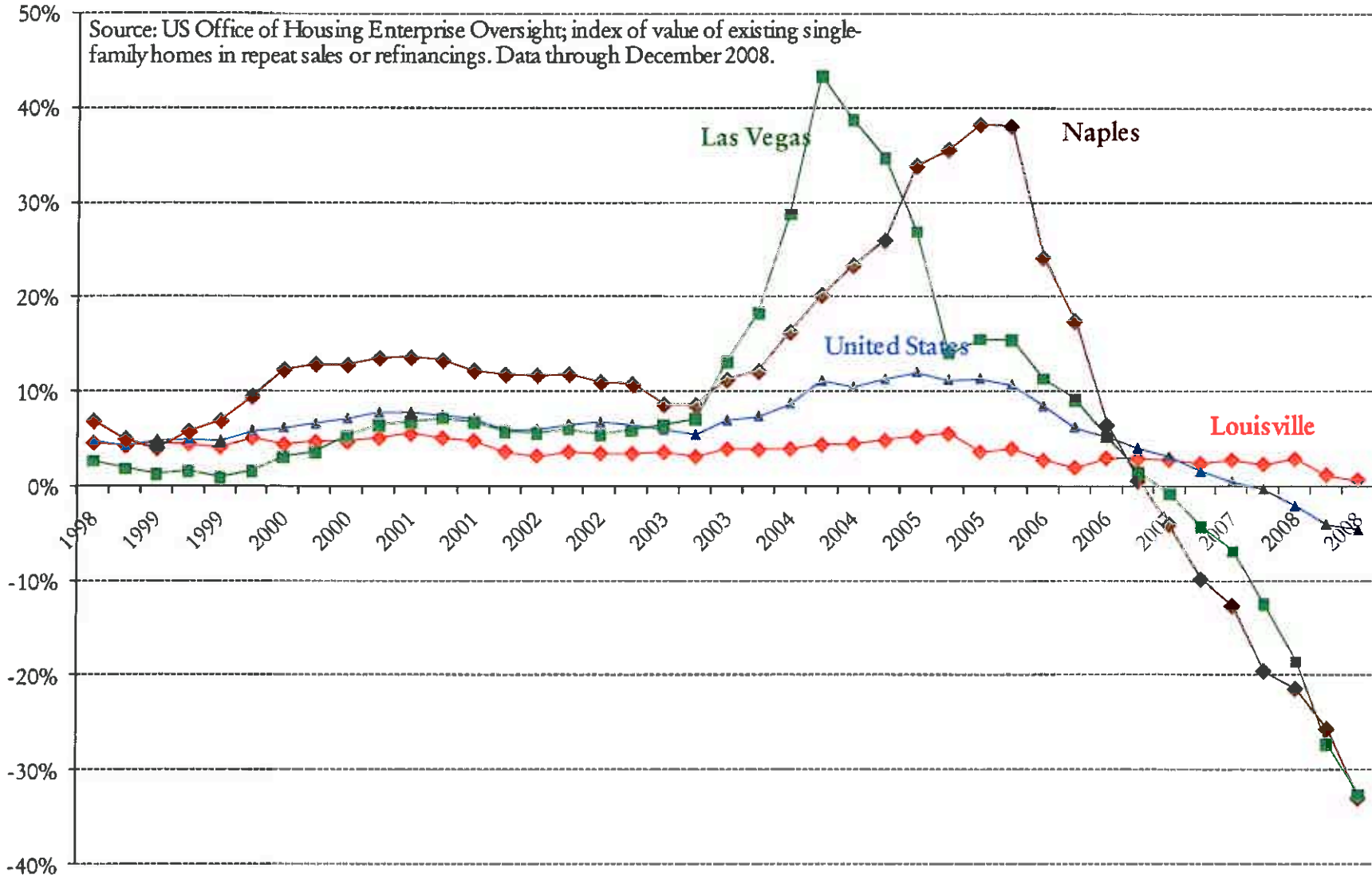


## HOME PRICE APPRECIATION

### OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

- The State of Kentucky is ranked 9<sup>th</sup> best in home price appreciation over the last 12 months.
- Louisville is ranked 65<sup>th</sup> best out of 300 metro areas.
- Over the last five (5) years Louisville has experienced a 16.1% home price value increase.

## Annual Home Price Appreciation, Last Ten Years by Quarter



## Annual Home Price Appreciation, Last Decade by Quarter



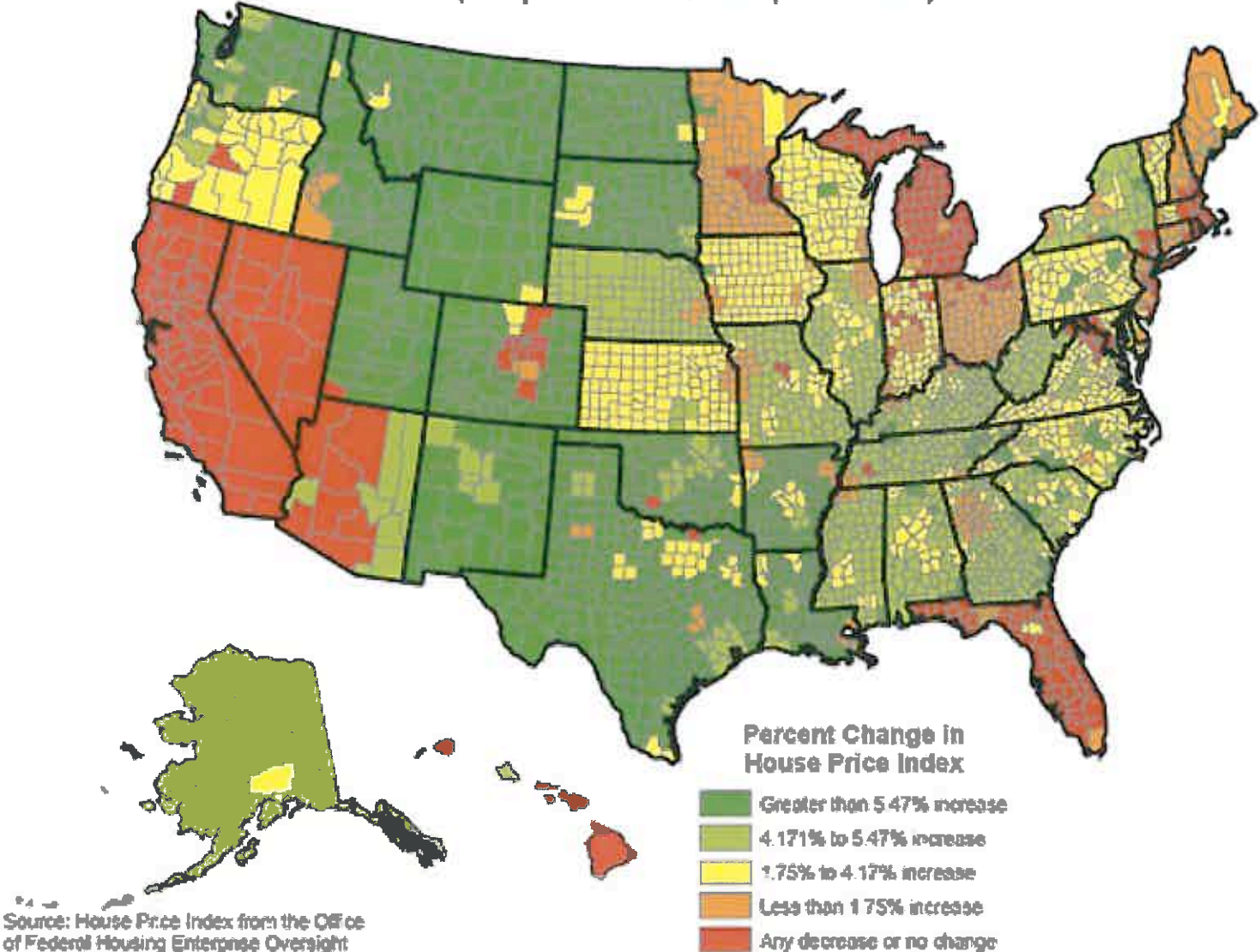
# HOME PRICE APPRECIATION OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

	1 Year	5 Year
Nashville	1.2%	31.9%
Louisville	0.8%	16.1%
Lexington, KY	-0.1%	18.9%
Columbus, OH	-0.7%	8.0%
Indianapolis	-1.1%	7.6%
Cincinnati, No.,KY	-1.9%	8.7%
Memphis	-2.9%	11.7%
St. Louis	-1.1%	20.9%
Portland, OR	-5.2%	48.6%
Seattle	-5.0%	48.6%
Phoenix, AZ	-18.9%	37.4%
West Palm, FL	-21.2%	17.8%
Miami, FL	-24.2%	34.3%
Las Vegas, NV	-32.6%	6.3%
Riverside-San Bernadino	-34.3%	2.9%
Stockon, CA	-49.5%	-33.3%

## Home Price Appreciation in Louisville Area 2008

- Jefferson County PVA .....0.0%
- Greater Louisville Association of Realtors
  - Jefferson Co.....-2.2%
  - MLS Area.....-2.6%
- Office of Federal Enterprise Oversight
  - Louisville MSA.....0.8%
  - (Contains Indiana)

**Figure 5: Change in House Price Index by County  
(4th quarter 2006 to 4th quarter 2007)**



## U.S. Foreclosures by Metro Area (Top 20 – Worst)

Rank	State/Metro	Top Properties with filings	% Housing Units (foreclosure rate)	% Change from 2007
1	Stockton	21,127	9.46	99.16
2	Las Vegas	67,223	8.89	121.31
3	Riverside	112,284	8.02	117.02
4	Bakersfield	16,208	6.17	115.42
5	Phoenix/Mesa	97,684	6.02	220.77
6	Fort Lauderdale	47,387	5.95	127.81
7	Orlando	46,843	5.48	195.84
8	Miami	49,697	5.21	96.46
9	Sacramento	39,876	5.2	67.74
10	Detroit	38,106	4.52	-7.67
11	Sarasota	17,256	4.5	153.58
12	Fresno	12,571	4.2	102.5
13	Tampa/St. Pete	53,630	4.14	122.66
14	Oakland	38,797	4.09	99.34
15	San Diego	44,931	3.00	122.24
16	Palm Beach	23,399	3.71	96.33
17	Atlanta	67,007	3.26	33.29
18	Memphis	17,245	3.21	52.73
19	Denver	32,920	3.2	23.61
20	Ventura	8,422	3.11	94.01

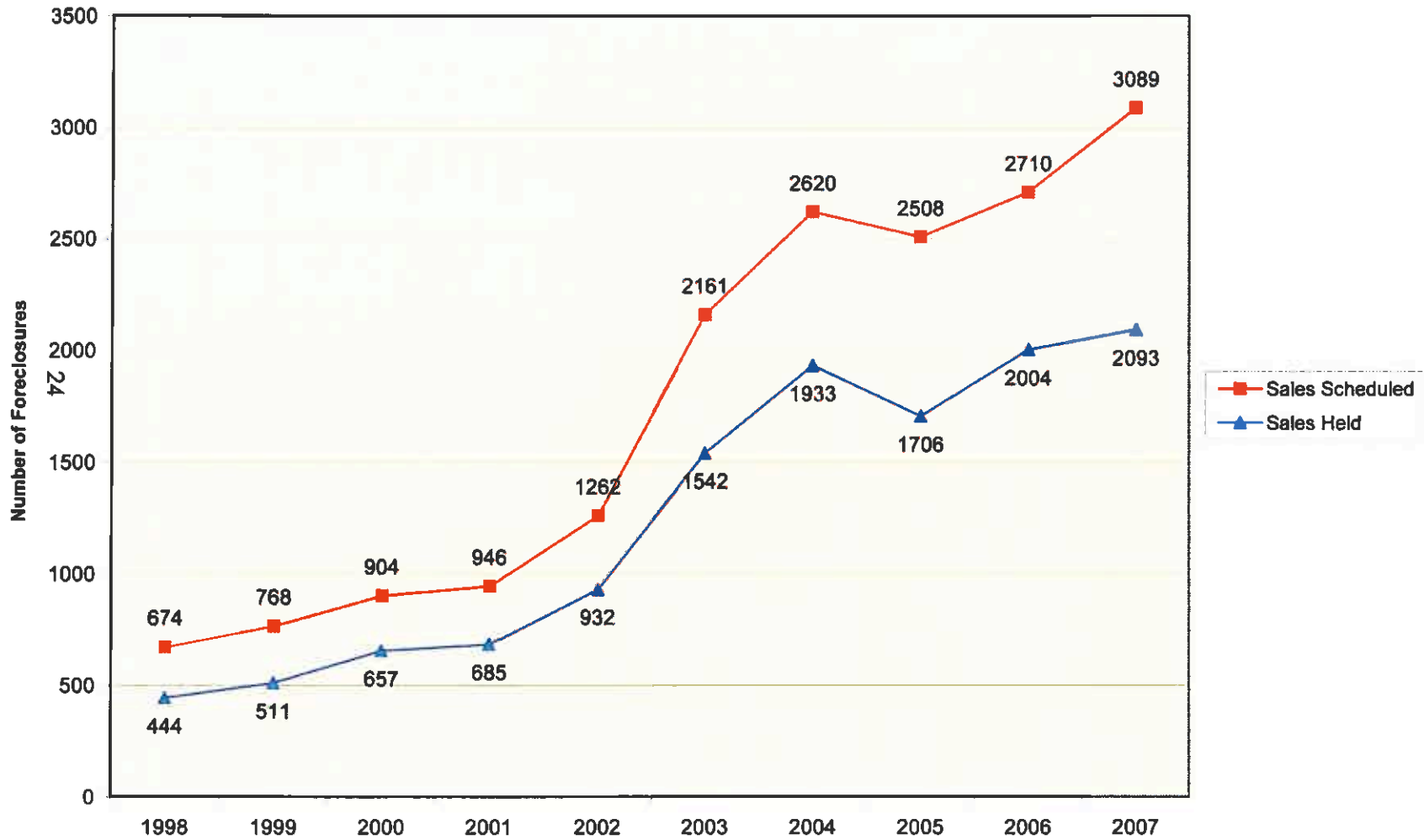
Source: Realty Trac

## U.S. Foreclosures by Metro Area (Louisville vs.)

Rank of 100	MSA	Total Properties with filings	%Housing Units (foreclosure rate)	%Change vs. 2007
18	Memphis	17,245	3.2	52.7
24	Cleveland	27,693	2.9	-0.6
27	Indianapolis	20,316	2.8	39.2
30	Columbus, Oh	19,489	2.5	41.0
34	Dayton	9,231	2.4	18.2
42	Cincinnati	16,731	1.9	27.5
45	St. Louis	21,645	1.8	40.2
52	Nashville	9,434	1.5	78.0
57	Charlotte	9,802	1.4	4.0
59	Minneapolis	18,450	1.4	70.9
71	Raleigh	4,444	1.1	14.4
84	Seattle	9,239	0.9	84.2
<b>87</b>	<b>Louisville</b>	<b>4,285</b>	<b>0.8</b>	<b>34.0</b>

Source: Realty Trac

**Louisville Foreclosures Over Last 10 Years**



## Greater Louisville Association of Realtors MLS Sales 2005-2008

	<u>Total Sales</u>	<u>New Home Sales</u>	<u>New Homes as % Total MLS Sales</u>
2005	15,255	1,980	13.0%
2008	12,002 -21.2%	1,264 -36.2%	10.5%

# Housing and Economic Outlook

Commonwealth Builders Conference

Lexington, KY

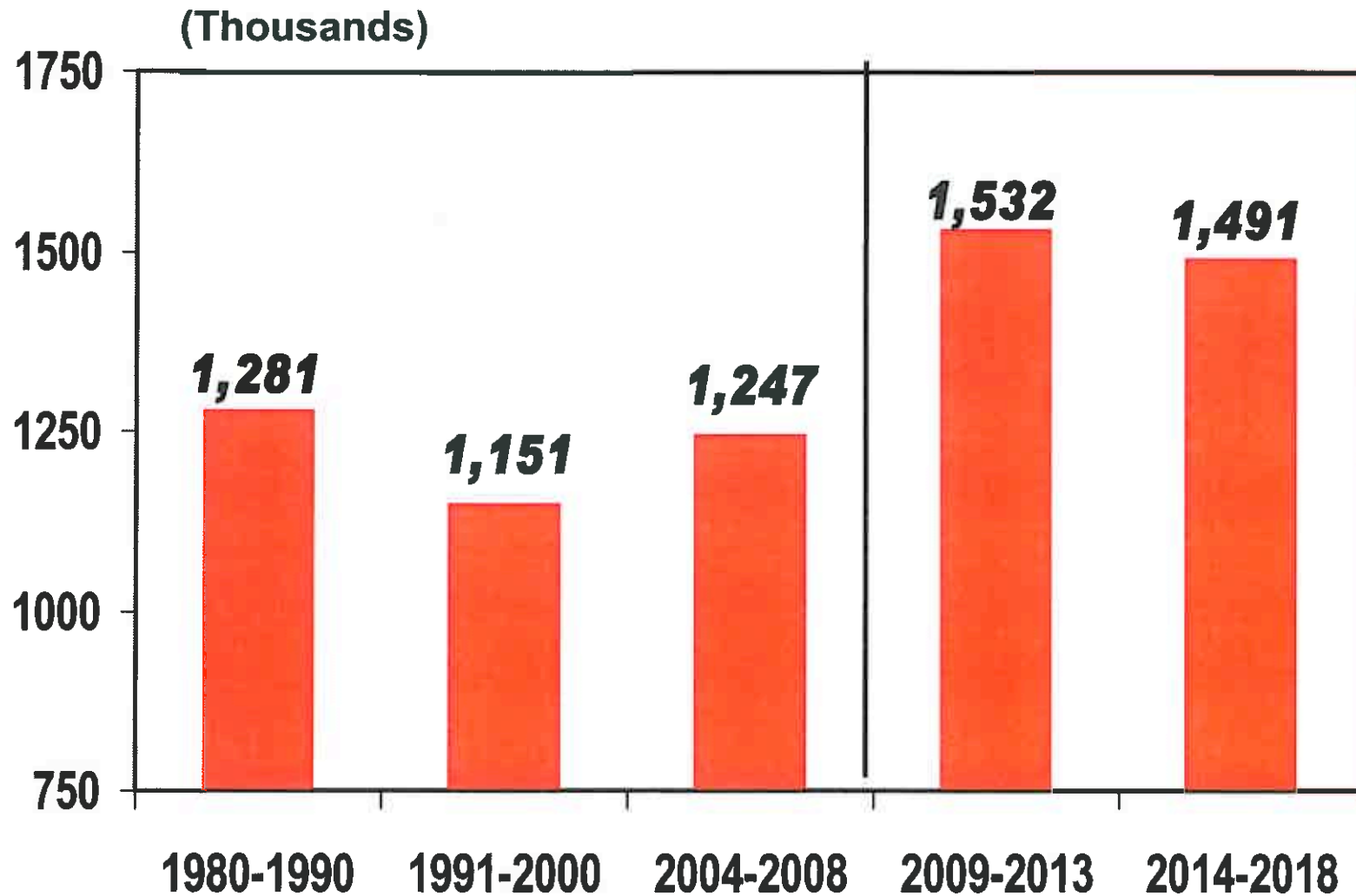
February 19, 2009

David Crowe

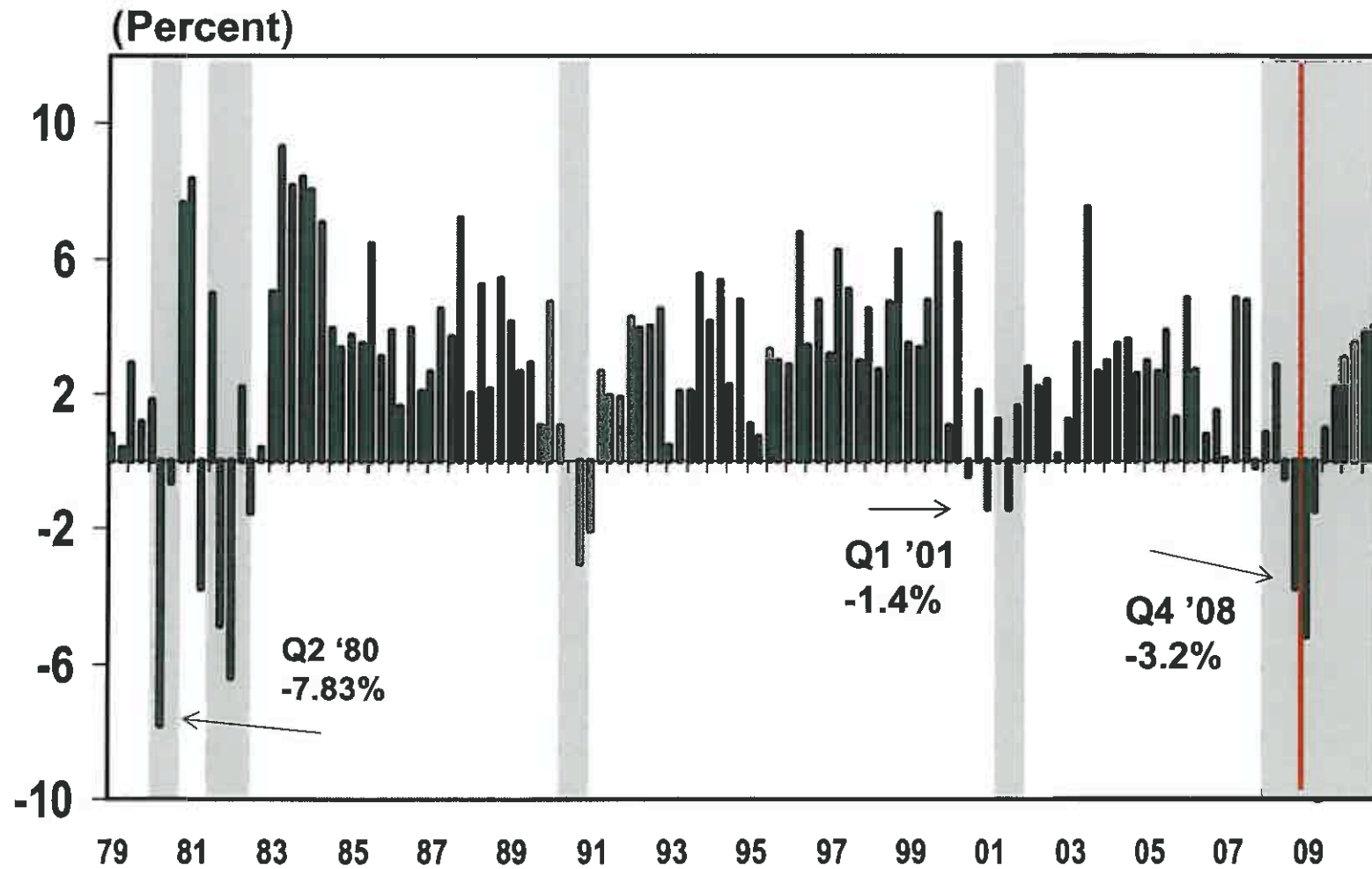
Chief Economist

NAHB

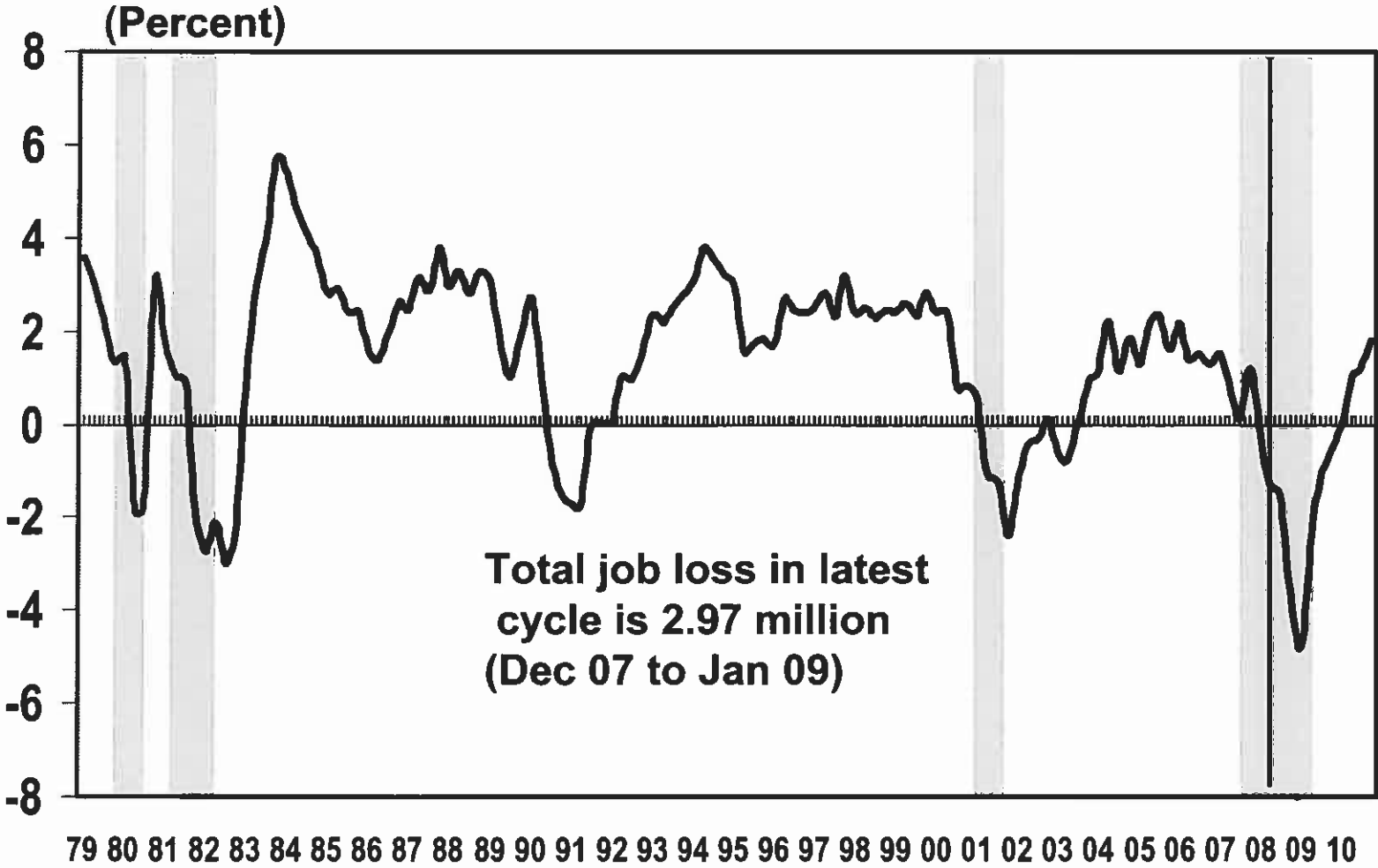
# Average Annual Household Growth



# Real GDP Growth

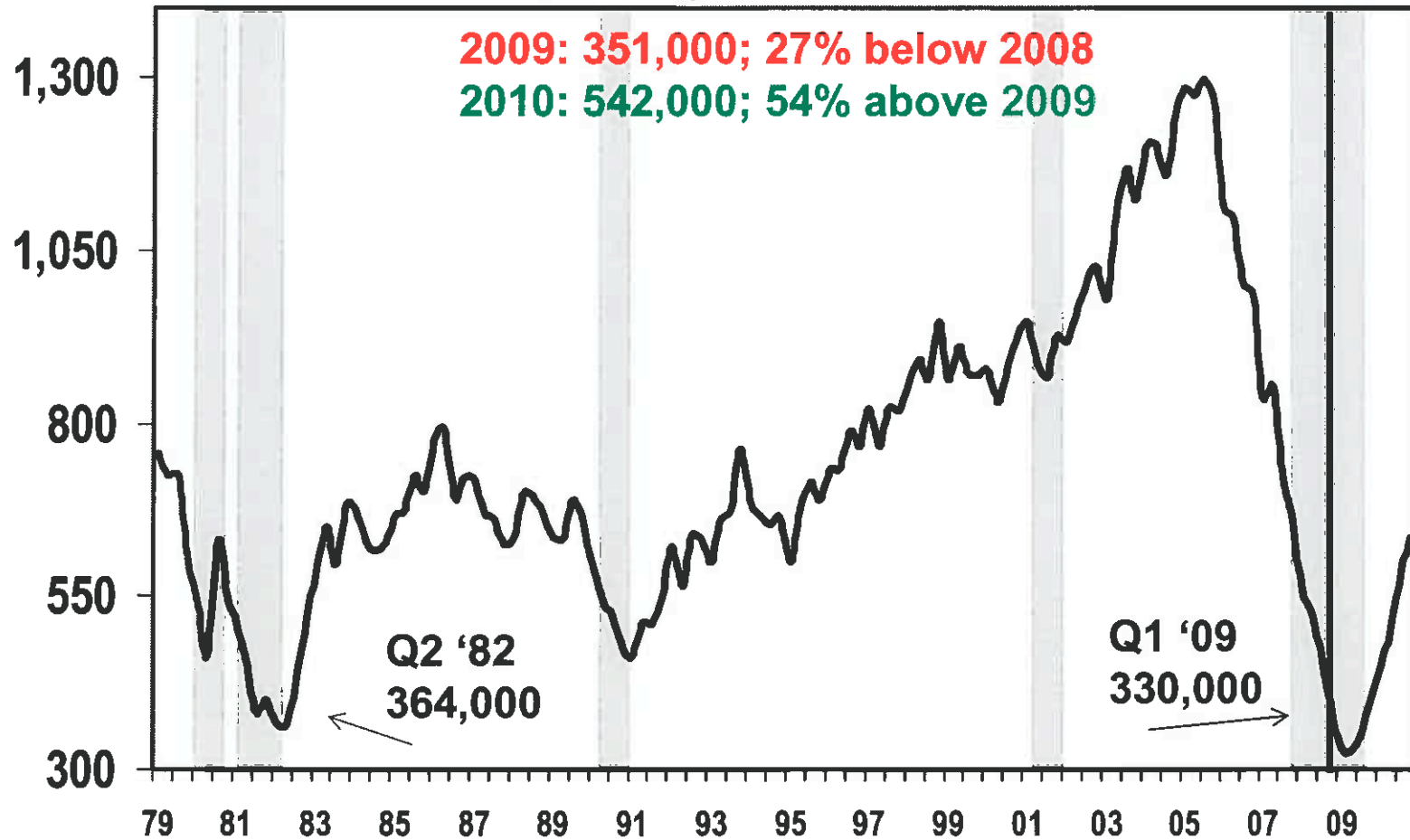


# Payroll Employment Growth



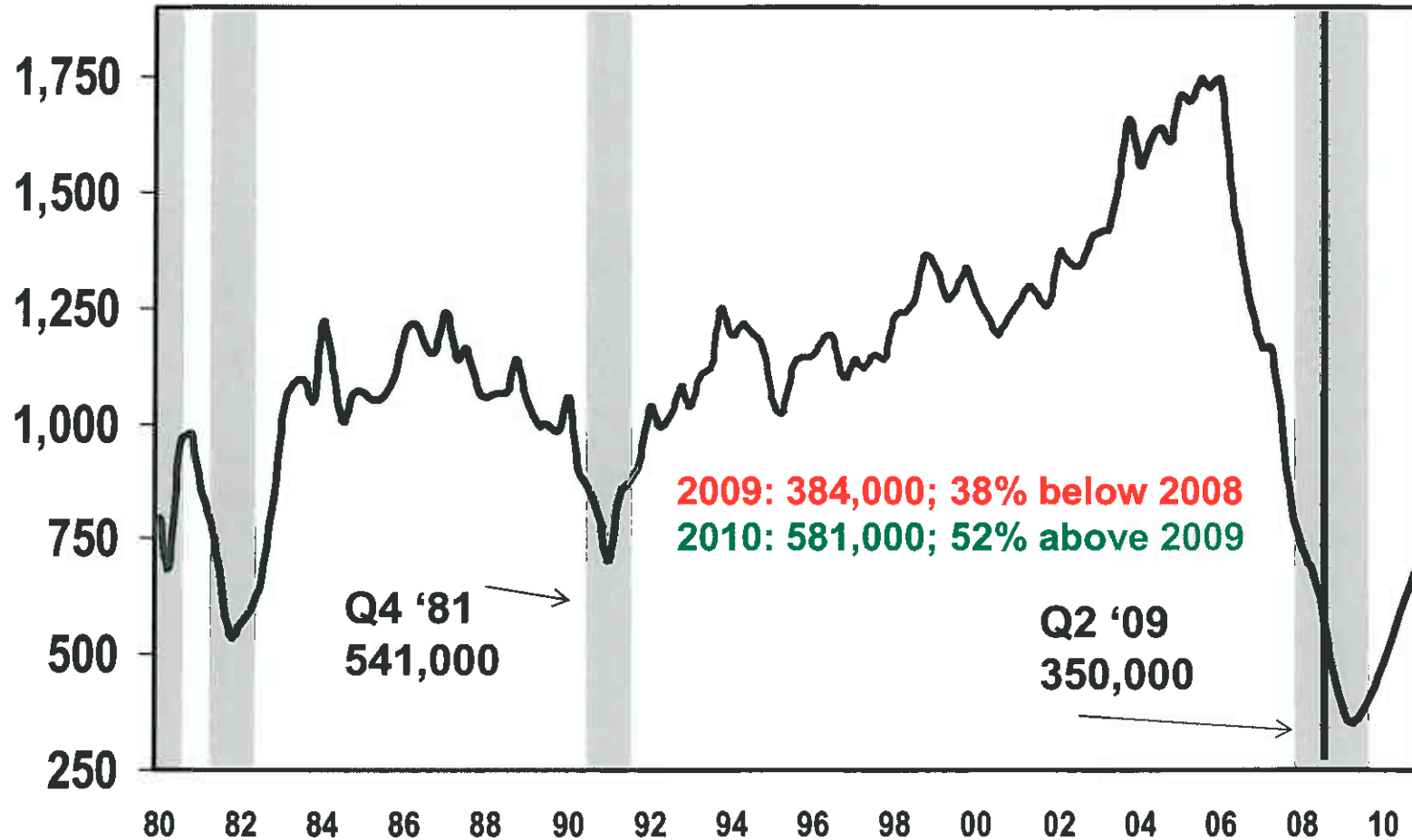
# New Single-Family Home Sales

(Thousands of Units, SAAR)



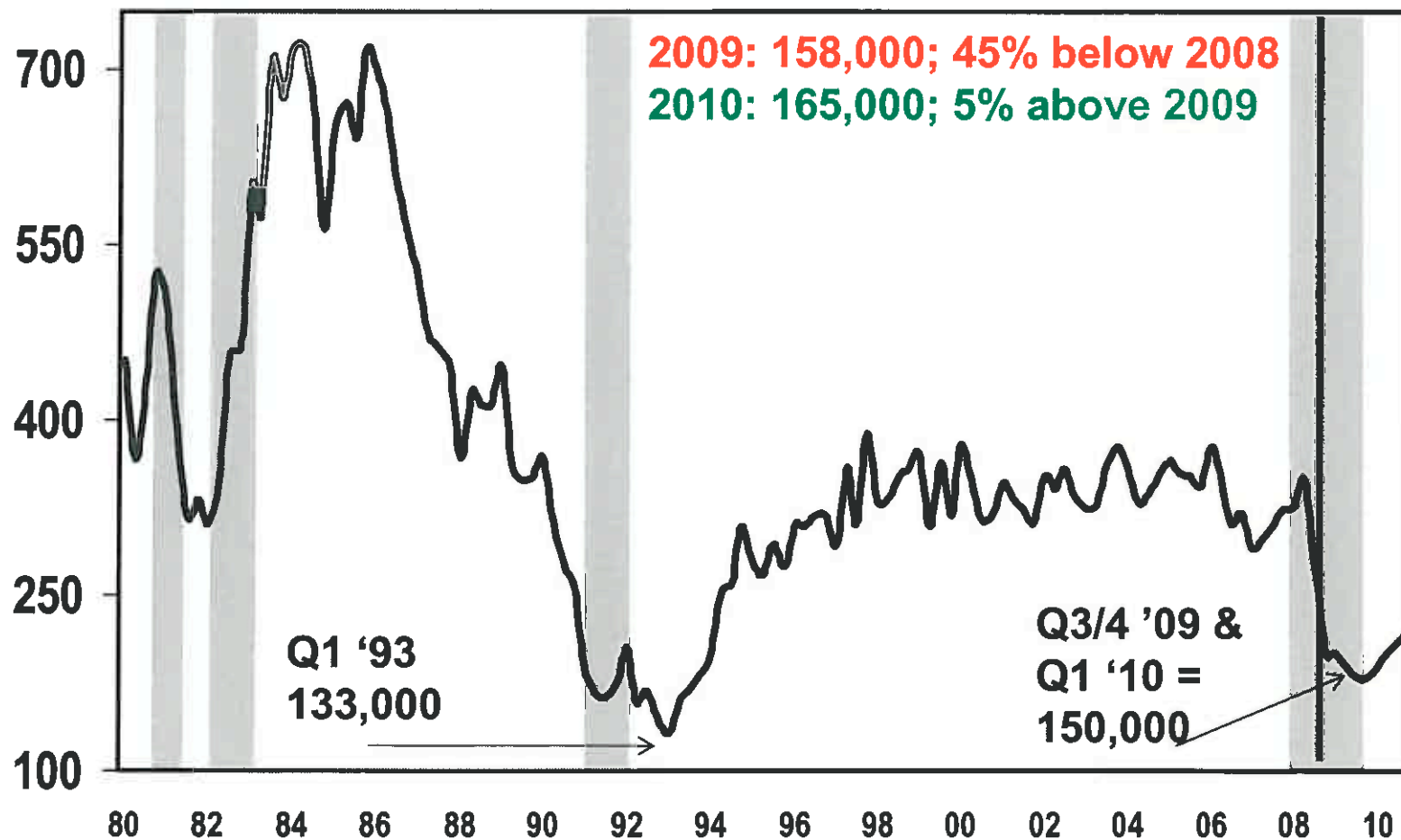
# Single-Family Housing Starts

(Thousands of Units, SAAR)

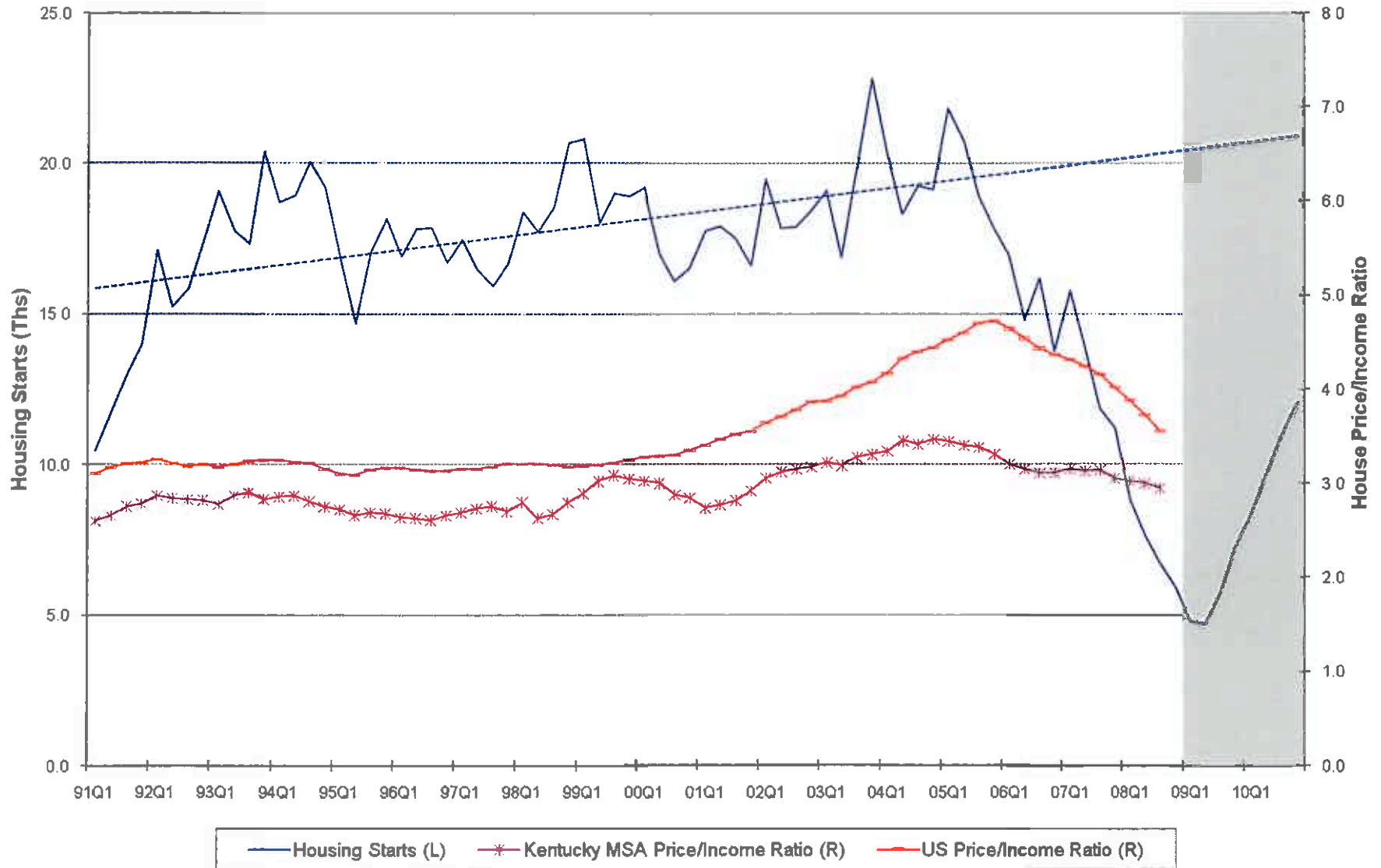


# Multifamily Housing Starts

(Thousands of Units, SAAR)



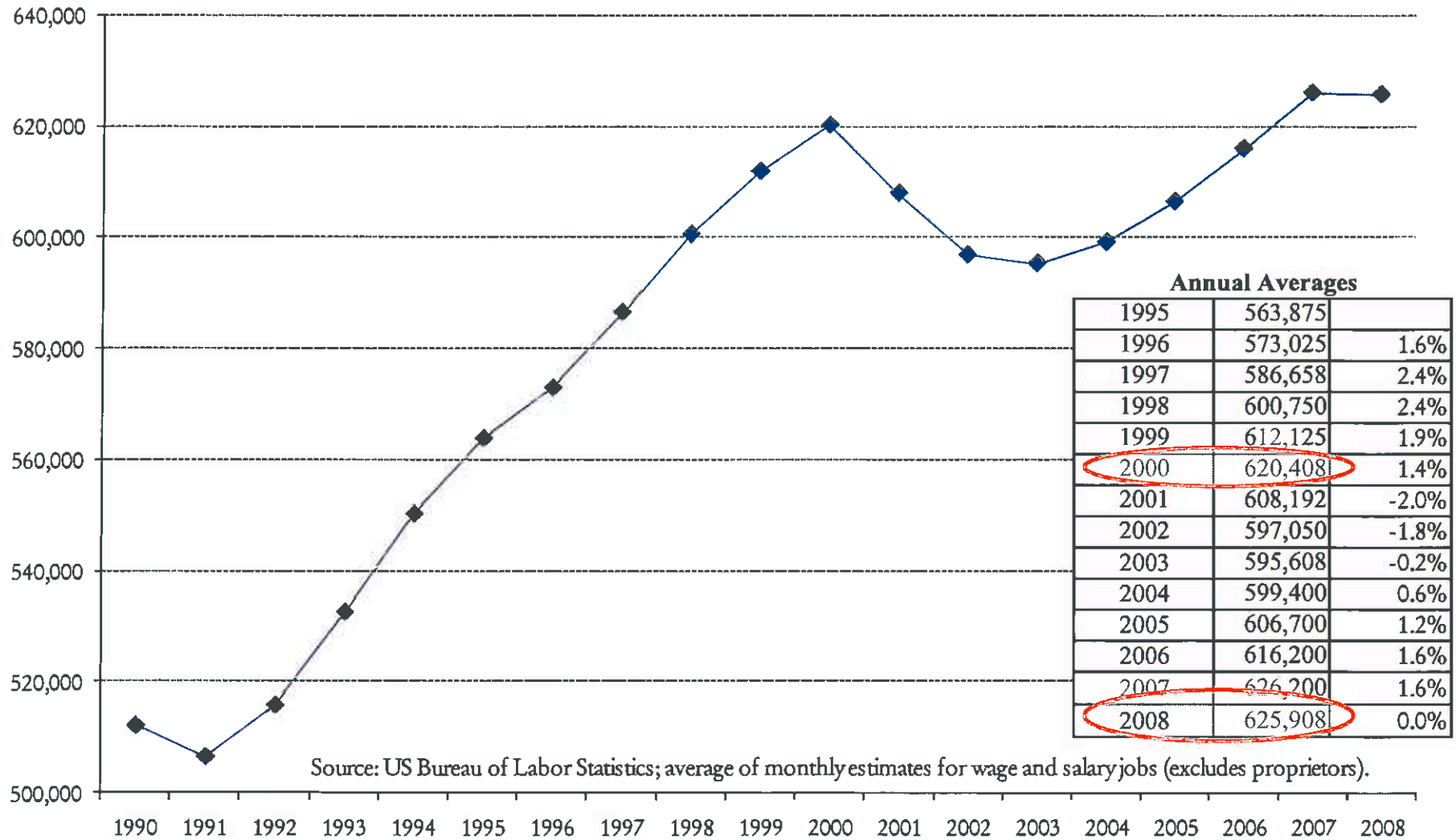
### Kentucky Housing Market Conditions - Single Family Housing Starts and Prices Relative to Income



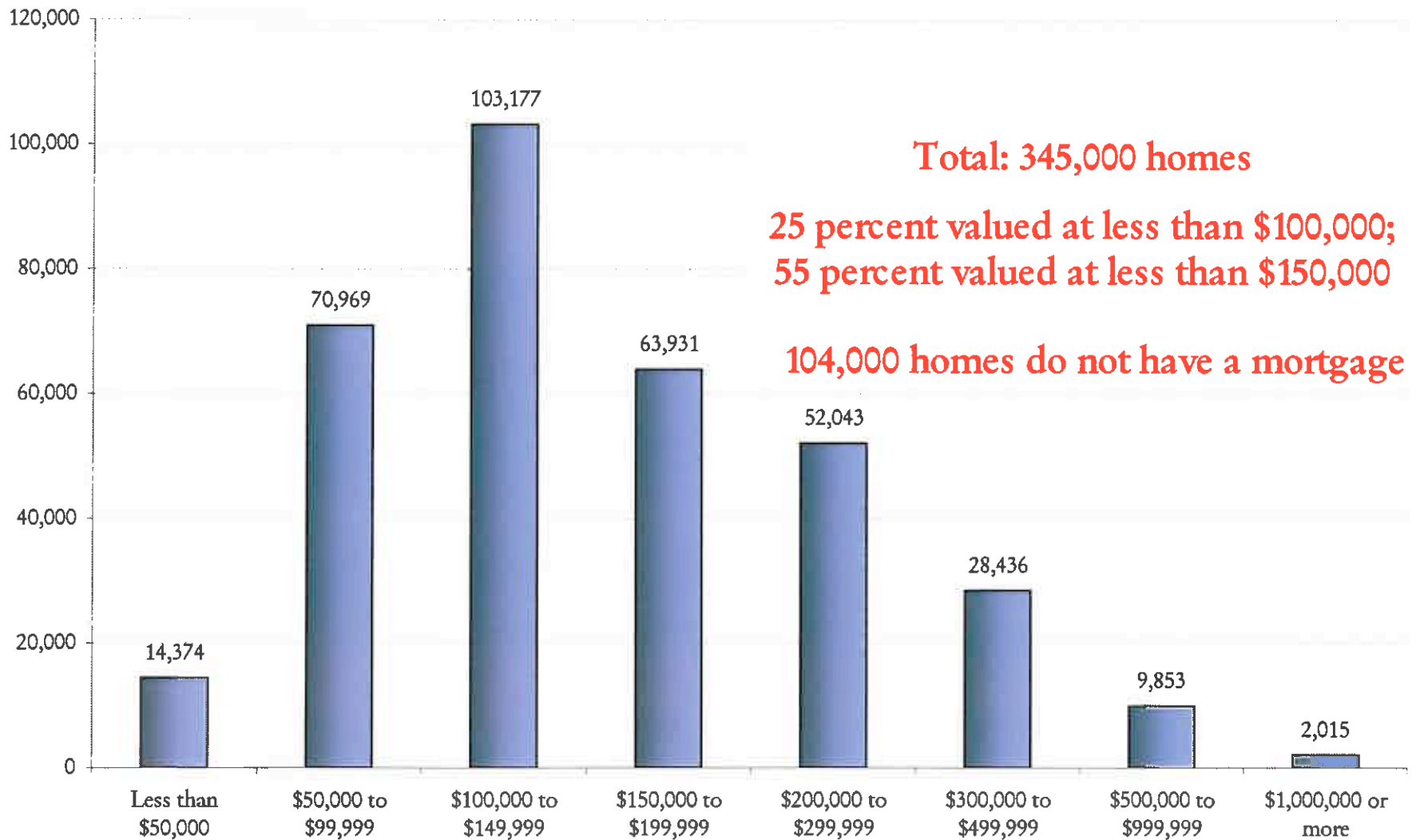
## State and Local Governments

- In contrast to most media reports of “budget crisis”, Kentucky General Fund receipts are up 1.2% this fiscal year compared to last (July to January)
- Kentucky individual income tax receipts are up 4.2% so far this fiscal year (sales taxes are up 0.4%, coal severance taxes are up 31%, corporate profit taxes are down 36%)
- Louisville occupational taxes are down 1.4% so far this fiscal year (July to January)

### Total Wage and Salary Jobs, Louisville MSA



**Distribution of Home Values, Louisville MSA**  
Source: US Census Bureau, American Community Survey 2007



# What's Available to the Housing Industry

- \$8,000 First-time Home Buyer Federal Tax Credit
- \$2,000 KHC Mortgage Credit Certificate (Federal)
- \$5,000 (possible) Kentucky State Tax Credit for New Home Purchase
- Interest Rates Dropping
- City of Louisville Stimulus Funding
- Federal and State Tax Credits for New Construction of Energy Star (for builders)
- Federal and State Tax Credits for Remodeling (for consumers)
- LG&E New Home Energy Program (Energy Star/Green Build)